NOV 25 '46

Foreign AGRICULTURE

REVIEW OF FOREIGN FARM POLICY, PRODUCTION, AND TRADE

VOLUME 10, No. 12 DECEMBER 1946

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ISSUED MONTHLY BY **OFFICE OF FOREIGN AGRICULTURAL RELATIONS**

THE UNITED STATES DEPARTMENT OF AGRICULTURE • WASHINGTON, D. C.

Argentina's Foreign Agricultural-Trade Policy—Part I

by **OSCAR K. MOORE***

Argentina produces some of the world's largest exportable surpluses of wheat, corn, oats, beef, flaxseed, wool, mutton, sunflower seed, vegetable oils, hides, and skins. Outlets must be maintained for these surpluses on the international market. Foreign trade is governed by many policy measures including the tariff, exchange control, export quotas and permits, trade agreements, and export subsidies. Control in some form reaches from domestic fields and pastures to the hands of foreign purchasers.

Argentina's Dependence Upon The World Market

Agriculture is the dominating economic enterprise in Argentina, and, accordingly, agricultural policy is the principal national policy. Interest in industrialization is increasing, and agricultural products serve as the major raw materials of industry. Argentina is the world's leading producer and exporter of flaxseed; it is the world's leading exporter of beef, corn, oats, sunflower seed, and cattle hides and skins.[1] It is the second ranking exporter of wheat (after Canada), and wool (after Australia); and it holds third rank (after New Zealand and Australia) in mutton exports. Argentina is the second leading producer of beef and corn (after the United States in both instances) and of sunflower seed (after the Soviet Union); it is the third producer of wool (after Australia and the United States); the fourth producer of both mutton (after the United States, Australia, and New Zealand) and cattle hides and skins (after the United States, France,[2] and Germany); and the sixth producer of wheat and oats.

The population of Argentina is small in relation to its agricultural capacity. As a result, it ranks as one of the leading exporters of many commodities. Agricultural exports as percentages of total exports on a value basis by 5-year averages, 1920–44, were as follows:

5-year averages	*Percent*
1920–24	96.0
1925–29	96.3
1930–34	95.5
1935–39	94.9
1940–44	86.2
25-year average	
1920–44	93.8

Thus, agricultural commodities constituted about 94 percent of Argentina's exports by value from 1920 through 1944.

During the period 1920–44, 54 percent of the wheat, 61 percent of the corn, 79 percent of the flaxseed, 36 percent of the beef and veal, and 44 percent of the mutton and lamb by volume were exported (table 1). The economic life of Argentina, accordingly, depends heavily upon the agricultural-export trade, which means that a large part of its production generally must be sold to foreign purchasers. The inability of the somewhat inelastic domestic market to absorb the entire output of many commodities makes the nation vulnerable to world conditions in times of price distress. Since World War II ended, however, Argentina has been establishing its own prices because of unprecedented world demand for food.

Low production costs have favored Argentina's dependence upon fluctuating world market demand and prices. Wages are increasing, but mechanization is reducing the labor required to produce a unit of produce. Capitalization is increasing because of growing investments in farming operations. Higher prices are being paid for farm lands, buildings, and dwellings, and farm mechanization is increasing the level of capitalization.

TRADE RESTRICTIONS AND THE ARGENTINE ECONOMY

A country dependent upon foreign markets, such as Argentina, is confronted by many types of restrictions on imports in the countries to which

*Office of Foreign Agricultural Relations.

[1] These comparisons apply to the prewar period 1935–39.

[2] France and Germany import large numbers of live cattle and therefore are important producers of hides and skins.

it sells its products. Importing countries generally resort to these measures in times of large supplies and low prices; but, when supplies are small, the exporting country may impose restrictions in order to keep sufficient supplies at home. Governmental controls of international trade in farm products were increased greatly during World War II, and many trade controls that were adopted then have been continued for peacetime purposes. State trading methods adopted during the war in many cases continue to be practiced in place of private trading now that the war has ended. Trade controls generally are imposed under the exigencies of national and international crises, and once imposed, there is a tendency for them to continue in force.

TABLE 1.—*Percentage of Argentine production of specified commodities exported, 1920–44*

Period	Wheat	Corn	Oats	Flaxseed [1]	Sunflower seed [1]	Beef and veal	Mutton and lamb	Pork
Average:	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
1920–24	67.9	61.7	64.7	90.0	(2)	36.9	51.6	18.2
1925–29	62.5	78.0	49.4	88.0	(2)	39.8	53.5	11.1
1930–34	58.0	80.5	57.5	90.3	(2)	31.7	43.3	17.5
1935–39	48.4	76.9	45.4	88.3	(2)	34.2	28.9	19.9
Annual:								
1940	(3)	18.1	27.0	69.6	6.3	31.5	32.8	3.5
1941	29.3	5.4	19.6	38.6	3.0	39.1	26.0	26.5
1942	35.7	2.4	3.0	19.7	5.2	42.1	28.3	38.5
1943	30.6	9.8	10.2	42.4	4.8	38.5	67.7	41.5
1944	32.8	6.3	6.9	17.5	3.4	43.1	56.4	51.1
Average: 1940–44	32.1	8.4	13.3	37.6	4.5	38.9	42.2	32.2
Average: 1920–44	53.8	61.1	46.1	78.8	-------	36.3	43.9	19.8

[1] Recent exports have been of oil rather than of seed.
[2] Export data for these years are considered to be production.
[3] On account of large stocks, exports were greater than production.

Compiled by Office of Foreign Agricultural Relations.

Trade Controls Induced by the Depression.—Trade restrictions are imposed frequently by nations in an attempt to develop a so-called favorable balance of trade. Such impositions often are detrimental to heavy exporting nations. The economic depression of the 1930's was instrumental in the world-wide promulgation of many trade-restricting measures. In the United States, the Smoot-Hawley Tariff Act was enacted in 1930. Other trade restrictions were levied elsewhere. Strong trade-control measures were adopted by Argentina in reaction to the depression and in an effort to strengthen its bargaining power. Although Argentina's economy was, and is, dependent upon the maintenance of foreign outlets for its agricultural commodities, a restrictive import policy was adopted. When European countries adopted policies of bilateral trading, Argentina adopted them also. The maintenance of sufficient export volume to yield the exchange needed to pay for imports and service the foreign debt [3] was a great problem, especially in view of the development of British Empire preference, after 1932, and the enactment of trade restrictions by European markets which ordinarily served as outlets for Argentine products.

Trade Controls Induced by World War II.—In Argentina, as in a number of other countries, depression-induced tariffs, quotas, milling restrictions, embargoes, exchange controls, and other regulations continued to burden international trade when World War II started. During the war, State trading was practiced in several instances, making Government control complete. Consequently, when World War II ended, a trend of governmental control over both internal economies and international trading was firmly established in Argentina and some other countries.

An agricultural nation, Argentina ordinarily promotes exports of farm commodities and restricts imports of industrial consumer goods. Controls over production, domestic sales, and foreign trading have been enacted. Production controls have not been applied in the usual sense. The production subsidy has been used, but acreage controls have not.

Policy Governing Import Trade

THE TARIFF

Argentina's import trade is regulated strictly by the Government. The tariff serves as one means of regulation, but frequently it is not so important as exchange control, import-permit allocations, and rates of valuation of incoming commodities for tariff purposes. Until World War I, the tariff served principally for fiscal purposes, and the rate was adjusted in accordance with demands for revenue. Since then, its chief use has been for protection, especially of the foodstuff, tobacco, textile, leather, paint, varnish, and petroleum industries. During 1945, customs and port dues represented 9 percent of the national revenue (table 2).

[3] Like most other nations in America, Argentina has attracted considerable foreign capital. British investments are greatest, followed by those of the United States. The French, Dutch, Belgians, and Germans also have invested heavily.

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Textiles, fuels (chiefly petroleum and coal, nearly all of which are imported), machinery (chiefly farm machinery and automobiles), and other items requiring highly skilled manufacturing processes are the major imports which, prior to World War II, came mainly from the United Kingdom, the United States, and Germany.

TABLE 2.—*National revenue receipts in Argentina, by principal sources, 1945*

Items	Revenue collected	
	Amount	Percentage
	1,000 U. S. dollars [1]	*Percent*
Customs and port dues [2]	34,078	9
Land tax	12,595	3
Stamp duties	27,762	7
Excise duties [3]	116,181	31
Income tax	94,207	25
Excess profits tax	20,633	6
Sales tax	22,511	6
Inheritance tax, licenses, and race tax	13,231	4
Miscellaneous, including lotteries	34,735	9
Total	375,933	100

[1] Converted at the free-market exchange rate; 1 peso equals 24.752 cents, U. S. currency.
[2] Break-down impossible for entire year because of lack of data, but for the first 9 months of 1945, customs and port dues consisted of the following: Import duties, $17,797,000; export duties, $248; and port dues, $5,768,000. Thus, import duties accounted for most of the customs revenue.
[3] Includes revenue from oil fuel, yerba maté, and wine.

Compiled by Office of Foreign Agricultural Relations.

The basic regulation governing the Argentine tariff is the law of 1905 which was revised chiefly in 1911, 1917, 1923, 1931, and 1939. Various port dues have been levied, which generally account for about a third of total custom collections (table 2).

As to rates, ad valorem duties range from 5 to 50 percent of the official customs valuations of the articles to which they apply. Duties of 5 to 20 percent usually apply to articles not produced domestically, whereas duties of 30 to 50 percent apply to articles competing with domestic manufactures. Industrial necessities, raw materials, agricultural machinery, and railroad equipment enter duty free. For the period 1915–40, nearly one-third of all imports, on the basis of official tariff valuations, were accorded duty-free treatment.[4]

Since 1923, the Federal Executive of Argentina has been empowered to increase import duties without legislative approval as much as 50 percent and levy new duties up to a maximum of 15 percent ad valorem on duty-free articles imported from countries not granting most-favored-nation treatment to Argentine commerce. The Executive, moreover, may decrease duties by not more than 50 percent in reciprocation to countries offering similar concessions. Such concessions have been made to Brazil, Chile, and the United Kingdom. Those made to the United Kingdom have been generalized to all countries; those to Chile, to countries with which Argentina has unconditional most-favored-nation agreements.

Several changes were made in the tariff during World War II. A number of industrial supplies and other necessities, which were difficult to obtain, were given a duty-free status on a temporary basis by Executive decree, and rates were reduced on several commodities. The tariff laws were embodied in a new single text in 1941, which incorporated the 1923 laws and the modifications subsequently enacted.

In 1944, a decree was promulgated, in furtherance of a policy of defense and industrial encouragement, authorizing the Executive to increase import duties to protect Argentine industries created or expanded during World War II, to promote industrialization in general, and to prevent postwar "dumping." By this decree, existing duties on imports may be increased as much as 50 percent if the c. i. f. value, plus import charges, is lower than domestic cost of production for similar articles.

A protective decree was drafted in May 1945, which can be applied quickly when occasion demands. It authorizes the Executive to increase or decrease duties and surcharges in specific cases by not more than 50 percent of present rates; levy a duty up to 20 percent ad valorem on duty-free merchandise; modify or abolish existing tariff schedule valuations, substituting for them ad valorem duties; establish new schedule classifications and rearrange those prevailing; and change the nomenclature of prevailing classifications.

SPECIAL WAR AND POSTWAR MEASURES

As a wartime measure, the Executive was authorized, by a law (No. 12,591) enacted on September 7, 1939, to place quotas, where necessary, upon imports competing with domestic production, or to prohibit them entirely. Subsidies were authorized for industries important to the nation for defense purposes which were not adequately protected by these measures.

[4] UNITED STATES TARIFF COMMISSION. ECONOMIC CONTROLS AND COMMERCIAL POLICY IN ARGENTINA. 47 pp., illus. Washington, D. C. 1945. [Processed.]

The President was authorized, moreover, to restrict or prohibit the exportation of necessary products. Maximum prices were established on prime necessities for importers, manufacturers, middlemen, and wholesalers at price levels prevailing during the first 2 weeks of August 1939. Articles of food, clothing, lighting, fuel, medicine, and construction were designated as prime necessities. This constituted a part of the wartime price-control program.

Thus, a broad industrial development policy has been formulated, supported by protective tariffs, import quotas, and production subsidies. It is strongly nationalistic in that special protection is given to industries processing domestic raw materials for use within the country. Protection, however, is also enjoyed by manufacturers using foreign raw materials and semifinished goods, provided the finished products are required for national defense.

Some local industries—notably textiles and shoes which utilize domestically produced wool, cotton, and leather—expanded considerably during the war. Such products commanded high prices, because competitive foreign products were not available. Even now, high prices are maintained, although foreign goods are reaching the market.

Because of a growing preoccupation with industrialization, there is less agitation for agricultural programs. The large landowners, who dominated agricultural policies in the past, have recently become less influential.

Exchange Control

From 1921 to 1931, the exchange value of the Argentine peso declined, depletion of gold reserves forced suspension of gold payments, and shortage of exchange made it increasingly difficult to service the foreign debt and acquire necessary imports. Moreover, the nation's exports were hindered by increasing tariffs, import restrictions, and other expedients imposed upon the world markets by the depression. Thus, in 1931, exchange control was adopted to prevent further depreciation of the currency by the establishment of an Exchange Control Commission,[5] which was later replaced by an Exchange Control Office,[6] and this in 1941 by the Central Bank[7] and an advisory group, the Exchange Control Committee.[8] The chief feature of the Argentine system of exchange control has been its continuing use of multiple exchange rates.

Exchange control was strengthened in 1933 and 1934, when it became necessary for an importer to obtain a permit before placing an order abroad for certain commodities. Furthermore, exchange permits were granted for imports, country by country, in an amount equivalent to the exchange made available by the purchases of Argentine products, less that needed to service the Argentine debt held by each country. This bilateral trade-balancing plan gave rise to the catch phrase, "Buy from those who buy from us." Stable exchange rates were maintained for exporters by the Exchange Control Office, but the rates maintained for importers varied widely and were higher. Agriculturists were thereby favored, because a cheap peso aided the sale of their commodities in the international market. The margin between buying and selling rates has served as a source of revenue, which in part has been used to subsidize agricultural exports.

Exports of certain products[9] were promoted, starting in 1934, by granting more favorable exchange treatment to transactions involving corn, bran, wine, yerba maté, tobacco, fruits, honey, cheese, and a few nonagricultural commodities. Later wool was included. An appreciable exchange advantage has been offered these products.

The month before World War II started in Europe, the free and official exchange rates applicable to exports were abolished. In their stead two selling rates referred to as rates A and B were adopted at different levels on the basis of "essentiality." Class A rates were applied to exchange drawn for the purchase of essential imports. Class B rates were applied to the purchase of nonessential imports and corresponded to the old free-market rates. Import permits had to be secured from the Exchange Control Office on all commodities entering the country; otherwise goods could not be cleared through the customs. Consequently, exchange-control officials sanctioned all imports. The exchange rate applicable to the transaction was specified on the permit. Throughout the war the official exchange rates

[5] *Comisión de Control de Cambios.*
[6] *Oficina de Control de Cambios.*
[7] *Banco Central de la Republica Argentina.*
[8] *Comisión de Divisas.*
[9] Exchange officials term these items nonregular. All others are termed regular.

remained as follows except for minor modifications:[10]

	Pesos per dollar	*Pesos per pound sterling*
Buying rates:		
For basic (regular) exports	3.3582	13.53
Nonbasic (nonregular) [1] exports [2]	3.9801	16.04
Selling rates:		
A. For essential imports	3.7313	15.04
B. For nonessential imports	4.2289	17.04

[1] These are export items which the Government promoted by offering more favorable exchange rates.

[2] The Minister of Finance announced that the preferential rate for nonregular exports would be abolished on January 1, 1946, but because of trade objections the date was advanced to July 1, 1946.

Shortly after the war started, the value of Argentine exports overbalanced that of imports because of higher domestic prices, and because foreign products could not be obtained in the quantities desired. Consequently, ample exchange became available for all purposes, and exchange regulations were applied more liberally in an effort to obtain hard-to-get imports.

Since 1942, imports from all countries have been admitted without restrictions, except allocations on shipping space, and since August 1946 export permits have been issued so as to allow commodities to move chiefly to countries from which Argentina obtains needed imports.

The Central Bank

The Central Bank of Argentina is becoming a policy-formulation and action center for agriculture and industry. By a decree of March 25, 1946, this bank was nationalized by the Government, and foreign exchange was placed under its control. Shareholders are to be reimbursed in cash or Government bonds. Argentine deposit banks were made agents of the Central Bank, and their deposits were thus placed under its control. In addition, this bank was empowered to exercise general supervision over the National Agrarian Council, the Grain Regulation Board, and several other national agricultural organizations, pending eventual transfer of their properties and assets to the Central Bank itself, the Industrial Credit Bank, the National Mortgage Bank, or the Argentine Institute for Trade Promotion.

The Central Bank is chiefly responsible for establishing the export-sale price of wheat and certain vegetable oils. With the advice and consent of the Department of Industry and Commerce, it determines the quantities of certain commodities available for export. This measure, therefore, establishes a basis for State control, through the bank, over trading in various farm commodities.

Through its centralized control of exchange, the Bank proposes to give preferential treatment to imports of capital goods needed for the development of domestic industry which utilizes farm products in large measure. Coincident with an announcement in May 1946 that exchange control would be used to protect and strengthen domestic industry, the market value of stocks on domestic exchanges reached an all-time high.

Argentina is shifting from a debtor to a creditor nation. Almost immediately upon release of 644 million dollars in Argentine gold, which was held by the United States from 1944 until mid-1946, the Argentine Government proceeded to retire its external debt. It expected to be completely free of debt to foreign interests by September 15, 1946. The Central Bank redeemed various bond issues with money accumulated during the war and by the flotation of new internal bonds. Interest on the internal debt is being reduced from 4 to 3 percent. Furthermore, the nationalized Argentine banking system recently has been extending an increasing line of credit to other South American countries.

Commercial Agreements

From 1933 until the war started in Europe, Argentina's commercial policy was concerned with the negotiation of several bilateral trade agreements with European and other important trading countries.[11] Argentina had a favorable balance of trade with most of these countries. These agreements, in effect, granted a favorable Argentine exchange rate in reciprocation to countries applying minimum or intermediate tariff rates to Argentine products.

Countries entering into these agreements were to receive from Argentina exchange permits in advance at favorable official rates. Under these pro-

[10] The rates given are those currently prevailing; that is, rates as of October 1, 1946.

[11] Since 1933, agreements with exchange provisions have been concluded with the following: United Kingdom, 1933; Belgium, 1934; Netherlands, 1934; Switzerland, 1934; Germany, 1934; Spain, 1934; Finland, 1935; Austria, 1936; Italy, 1937; Czechoslovakia, 1937; Hungary, 1937; France, 1938; Chile, 1938; Brazil, 1939; and Denmark, 1939. A most-favored-nation reciprocal trade agreement was concluded between the United States and Argentina provisionally in 1941 and definitely in 1943.

visions, Argentina agreed to transfer funds to the foreign country at an exchange rate not less favorable than that granted any third country and in value not exceeding the equivalent purchases of Argentine commodities by the foreign country. In the transfer of funds, reductions have been made for servicing Argentina's foreign debt and, in some cases, for other purposes. Likewise, the foreign country, whether it operated under exchange control or not, agreed to transfer funds without delay or restriction and at a rate of exchange not less favorable than that applied to any other country.

A number of commercial treaties were negotiated by Argentina with other Latin American countries; these usually included reciprocal reductions in duties on specified import commodities and assured most-favored-nation treatment in exchange-rate dealings. As the United States concluded reciprocal trade agreements with Latin American Republics, Argentina concluded similar ones, many simply of the most-favored-nation type, so as to gain the concessions made by and to the United States.

United Kingdom-Argentine Agreement.—The Roca–Runciman Commercial Convention was the first and most important bilateral trade treaty arranged by Argentina. It was concluded with the United Kingdom May 1, 1933, following several years of negotiation. The Convention was augmented by the Supplementary Customs Agreement signed at Buenos Aires in September 1933. The conclusion of the trade agreement was important to both parties, since Argentina is Britain's chief supplier of meat and other foodstuffs. It was considered a victory for the British.

The terms of the agreement which specified equivalence of trade between the two countries, gave Britain an advantage, since it normally buys more from Argentina than Argentina buys from Britain. The United States, on the other hand, normally sells more to Argentina than Argentina buys from it. The idea of equivalence of trade, country by country, was consequently advantageous to Britain. The Argentine catch phrase, "Buy from those who buy from us," may well have been suggested by the slogan, "Buy British," which was then being popularized in the British Dominions, after the Ottawa Conference. At that Conference the Dominions gained trading advantages with the United Kingdom, and Argentina thereafter was anxious to obtain similar trading concessions. Consequently, Argentina was anxious to conclude the Roca-Runciman agreement.

The United Kingdom granted Argentina, in the Commercial Convention, equality with the British Dominions in the acceptance of Argentine meat exports. This meant that Argentina was granted equal treatment with the Dominions if it became necessary to reduce the established British scale of meat-import quotas. The British conceded that Argentine imports would not be reduced below a certain level [12] unless special circumstances warranted such action; that Argentina would be consulted before import restrictions were imposed; and that, if restrictions were imposed, they would be on an equitable basis among the several countries which constituted the leading suppliers of the United Kingdom market.

Argentina, on the other hand, extended preferential exchange treatment to the British, which has continued to date. This treatment specified that, when exchange control operated in Argentina, all sterling exchange derived from Argentine products sold to the United Kingdom, less a reasonable sum for servicing the Argentine debt, would be made available to the United Kingdom at favorable official rates. This arrangement ensured that most of the returns from sales to Britain would be spent on goods purchased from that country.

The United Kingdom agreed, in the Supplementary Customs Agreement, not to make changes in the duty status of certain products of advantage to Argentina nor to restrict quantitatively imports of other specified products. In reciprocation, Argentina reduced import duties on some 300 items and bound the duty against increases on other merchandise. Argentina generalized (extended to other countries) the tariff provisions of the treaty so as not to violate the principle of equality of treatment, but the British selected items for duty reduction of which they were the chief supplier. This, however, is not merely British trading strategy but an established principal of bilateral bargaining.

On December 1, 1936, the customs agreement was replaced for a 3-year period by a new trade agreement. Under this agreement, Argentina's tariff concessions made earlier were continued,

[12] No lower than 90 percent of the imports during the quarter of the year ended June 30, 1932.

and, in addition, others were made, including maintenance of the Argentine market for British coal, protection of British shipping (Britain owns most of the refrigerated meat-transport vessels) in the event that Argentina established meat-export control, setting of minimum import quotas for British rayon and cotton piece goods if quantitative import restrictions were placed on them by Argentina, and cooperation in the regulation of British beef supplies through an international conference. The United Kingdom in the new agreement imposed duties on certain meats imported from non-Empire sources and established minimum quotas for Argentine beef imports.

The 1936 agreement was extended in force from time to time. On August 21, 1945, a formal notice was handed the British Ambassador in Buenos Aires stating that Argentina would terminate on February 21, 1946, the Roca-Runciman agreement. However, in an exchange of notes the two Governments decided to keep the agreement in force for an additional 6 months, or until August 20, 1946, as a "gentlemen's agreement."

When August 20, the dead line of the agreement, approached, the British sent a trade mission to Argentina to negotiate a new treaty. An increase in the bulk-agreement meat prices was demanded by Argentina.

On September 17, 1946, Britain and Argentina entered into a four-point agreement covering meat shipments at increased fixed prices; the gradual release of blocked sterling; the operation of British-owned Argentine railroads under a mixed, but Argentine-controlled, company; and proposals for a new general trade treaty. The British agreed to buy 83 percent of the Argentine exportable surplus of meat during the year commencing October 1, 1946, and 78 percent the following year. Quantities for two additional years thereafter will be set by negotiation. Argentina was granted an average increase in meat prices of approximately 7.5 percent over existing prices. This is the same increase that the British granted New Zealand a few weeks previously, but it is an increase of about 45 percent above the prices paid Argentina in 1939.

United States-Argentine Agreement.—The principle of bilateral trade balancing was used by Argentina in its commercial relations—particularly after 1931—until a change was forced by circumstances prevalent during World War II. Credits derived from export commodities could be used to purchase needed imports in many cases only from the country which received the exports, and, frequently, the latter was not in a position to supply the needed goods. The difficulty, moreover, of obtaining supplies, combined with shipping abnormalities forced Argentina to obtain supplies during the war principally within the Western Hemisphere.

Since 1939, trade agreements have been negotiated with 12 nations,[13] 10 of which are in the Western Hemisphere. The agreements were all of the unconditional most-favored-nation type and not of the bilateral type. However, most-favored-nation treatment did not extend to exchange in all cases. The exceptions were usually made in agreements concluded with neighboring countries.

Because of the difficulty in obtaining needed imports, Argentina has entered into several bilateral agreements in 1946 whereby it agreed to exchange certain quantities of wheat at stated prices for specified quantities of commodities in short domestic supply. Missions are being sent to Buenos Aires from a number of Latin American and European countries in an effort to negotiate other trade agreements, some of which will probably be bilateral in nature.

As a matter of policy, the United States has not made trade agreements of a bilateral nature. Consequently, a United States-Argentine agreement was not negotiated until 1941, after the character of Argentine commercial treaties changed.

The Argentine Government in January 1939 introduced a system of import permits on United States commodities devised to reduce imports from the United States by 40 percent. Argentine Government officials calculated that a reduction of 40 percent in imports from the United States was necessary to achieve a balance in the trade of the two countries which, they explained, was essential, because Argentina had a large deficit in its balance of payments, necessitating the export of gold to the United States and consumption of monetary reserves. They stated that Argentina would be willing to increase its imports from the United States only if the United States likewise augmented its purchases in reciprocation.

An attempt was made to negotiate a trade pact

[13] Brazil, 1940; Norway, 1940; Chile, 1940; Colombia, 1940; Cuba, 1940; Canada, 1941; the United States, 1941; Peru, 1942; Venezuela, 1942; Ecuador, 1943; Paraguay, 1943; and Sweden, 1945.

between the two countries in 1939 and 1940, but it was impossible to reach an agreement then. Negotiations were renewed, however, the following year which resulted in an agreement being signed in October 1941.[14]

The countries granted each other unconditional most-favored-nation treatment of customs duties, methods of levying duties, customs clearance, import and export quotas, and exchange allocation. For the duration of the wartime emergency, however, it was agreed that Argentina would not extend full nondiscriminatory treatment to United States trade because of blocked Argentine exchange in the sterling area—chiefly in London. Most-favored-nation provisions did not function during the war on exchange and quota matters, and, as a result, on imports from the sterling region.

During the war, the United States served as a principal market for Argentine vegetable oils, wool, hides, cheese, and casein, and the United Kingdom continued to absorb most of the Argentine meat output. Brazil was the chief purchaser of Argentine wheat during the war. Other Latin American countries purchased chemicals, cement, textiles, and other manufactured items principally. During this period the volume of Argentine exports declined, but the value increased because of higher prices, the exportation of more animal products (meats—especially boned meat—dairy products, and dehydrated eggs), decreased exports of such bulky items as wheat and corn, and increased vegetable-oil exports in place of oilseeds.

The export trade proved to be so profitable during World War II that, despite wartime trade restriction, dislocations, and shipping difficulties, Argentina's balance of payments permitted substantial reductions in its foreign indebtedness. Current financial obligations were paid to foreign countries; a substantial part of the foreign debt was repatriated; a number of local enterprises which were owned previously by foreign interests were acquired and nationalized. Large sums of foreign currencies were accumulated, which, however, were either largely blocked in England or deposited as gold in the United States and, in the latter case, could not be withdrawn until July 1946 because of the frozen-foreign-assets policy of the United States during the war.

[14] For details of this agreement from the agricultural standpoint, see: NOLAN, LOUIS C. AGRICULTURE IN THE ARGENTINE TRADE AGREEMENT. Foreign Agr. 5: 445–468, illus. 1941.

World Rice Production and Trade*

Interest is centered today in world food supplies for war-torn famine areas, many of which, particularly in the Far East, depend heavily upon rice for a major part of the people's diet. One outstanding development resulting from the wartime disruption of normal rice production and trade is the increase in Western Hemisphere rice crops, which has changed this part of the world from a deficit- to a surplus-producing region. The gain is, however, small in relation to critical shortages in Eastern Hemisphere countries, which are heavily dependent upon large Asiatic production for supplying relief to the deficit areas.

Outlook 1946–47

PRODUCTION

Present prospects indicate that the 1946–47 world rice crop may be about 10 percent larger than the estimate of 6,300 million bushels for the 1945–46 harvest [1] but only from 90 to 95 percent of the prewar average.[2] The anticipated increase will be due primarily to a larger production in Asia. The reduction of 5 to 10 percent from the prewar outturn is expected to result in the continuation during 1947 of a critical rice shortage in most countries. Two reasons for this are: (1) Exportable supplies from the 1946–47 harvest are expected to remain far below the prewar volume, and (2) rice stocks at the outset of the season are at an extremely low level, particularly in the heavy importing and consuming countries of the world.

Asia's rice production in 1946–47 may be 10 per-

*This article is taken from a detailed study—World Rice Production and Trade—which was prepared by Fred J. Rossiter, L. Thelma Willahan, and William E. Cummings, and which will appear as ForeignAgriculture Report No. 15.

[1] The August–July crop year includes crops harvested in Northern Hemisphere countries during August–December, those harvested in southern Asia principally during November–May, and those harvested in Southern Hemisphere countries mostly during January–July.

[2] Prewar average in this report refers to 1935–36 to 1939–40, except as noted.

cent larger than the small 1945–46 outturn. The largest volume of increase is expected in China, but the crop will still be considerably less than in prewar years. Since India's planted acreage is at a high wartime level, the harvest in that country may not only exceed last season's below-average outturn but be larger than the prewar production. Japan's crop is reported to be one of the best in years, but Korea's was adversely affected by June floods. The Philippine rice acreage is reported to be little, if any, above that of last year, which was only 80 percent of the prewar average.

Despite a larger acreage planted this season in the world's major prewar surplus-rice region—Siam, Burma, and French Indochina—its harvests will be far short of the prewar volume. Last year the acreage of these countries averaged about 50 percent of the prewar rice area. In 1946–47 their acreage is estimated to be from 55 to 80 percent of average, and yields will likely be lower than those obtained under prewar conditions.

The outlook for Europe's 1946 rice crop indicates that production will be larger than in 1945 but substantially below that of prewar years. In Africa, Egypt's 1946 production may fall below last year's outturn.

It is too early to forecast the rice acreage of the Western Hemisphere for the 1946–47 season. That in the United States is slightly larger than last year's. With unfavorable weather early in the season, however, estimates of the crop are smaller than last year's record. The acreage of some of the principal rice areas of South America may be as large or larger this year than last, depending on comparable prices of other crops at the time of planting.

TRADE

The quantity of rice available for world trade during 1947 is expected to continue at the extremely low level of 1946, when exportable supplies were estimated at only 25 percent of prewar average exports. While the average 1935–39 international trade amounted to 8.6 million tons, exports in 1946 are estimated at about 2.2 million tons. (See table 1.) The total export supplies

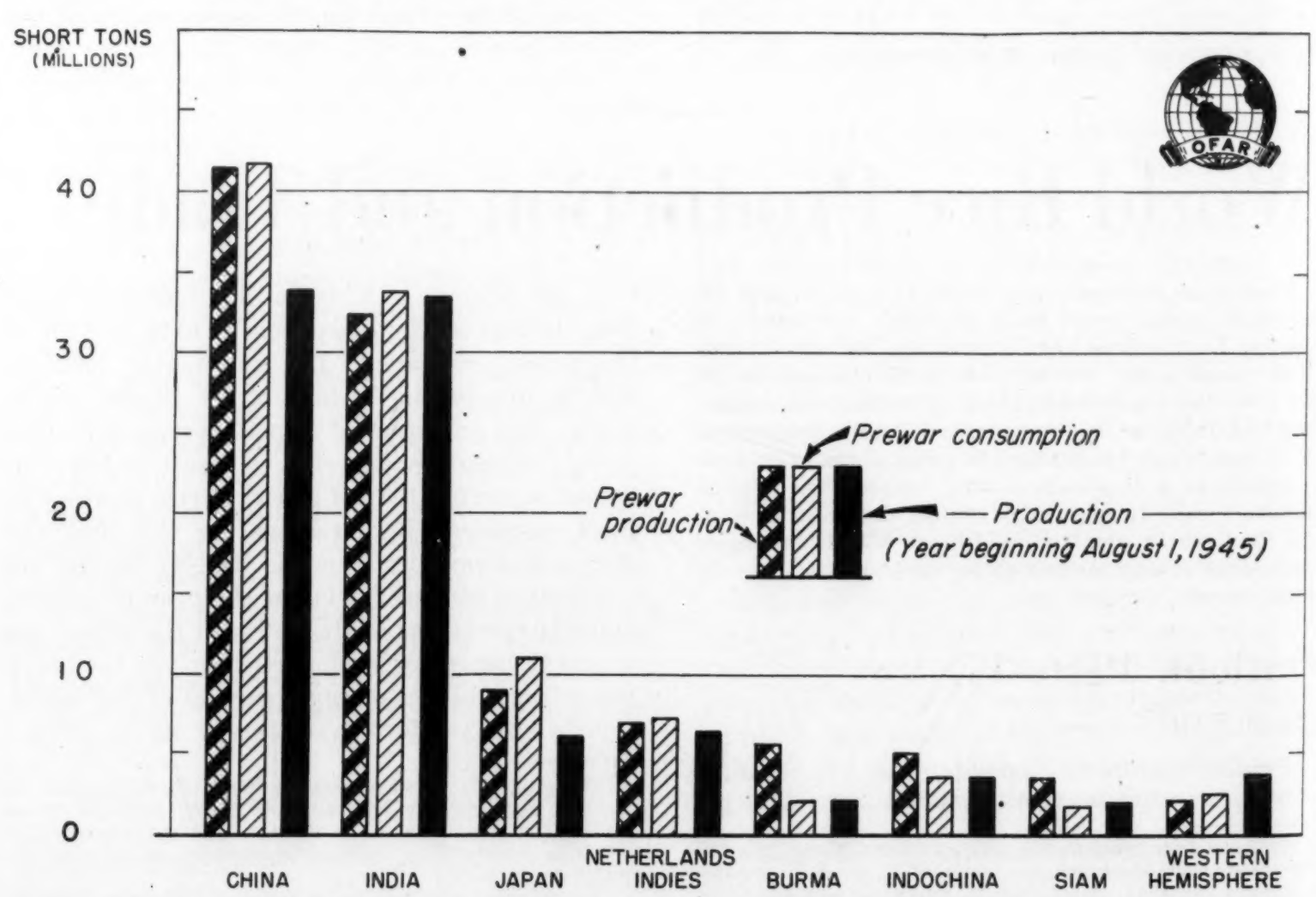

FIGURE 1.—Rice: Production and consumption, 1936–40 and production, 1945–46.

in 1947 from the small crops and reduced stocks in Asia's surplus countries, together with surpluses from other parts of the world, are not likely to exceed that amount. The expectation now is that 2 or 3 years may elapse before Asia's surplus countries can again attain exports of prewar volume. On the other hand, although an import demand now exists that is far greater than the quantity available, some countries in the next few years may not be able to make financial arrangements to import in prewar volume.

Rice shipments from Western to Eastern Hemisphere countries again in 1946 continued to reverse completely the historic direction of trade. This change, reflecting the large increase in production which has occurred in South and North America during the war, points to the possibility of readjustments which may take place as the Far East approaches normal production.

Europe and Japan may be markets for United States rice until the Far Eastern surplus becomes sufficient to provide more than bare import demands in Asia. Japan will have a deficit, and Korea and Formosa may not have surpluses for some time. Asia's importing countries will need more rice than its exporting countries will provide at least during 1947.

Summary 1945-46

The world rice crop of 1945–46 is estimated at 6,300 million bushels as compared with 6,900 million the preceding year and with an average of 7,400 million bushels produced before the war. The sharp decline in production was caused by unusually small crops in the countries of Asia where normal planting and harvesting were prevented by conditions prevailing under enemy occupation and following the war. Reduced crops in the world's former surplus countries of Asia virtually eliminated supplies available for export from the 1945–46 output of that continent. Stimulated by high prices, expanded production in the uninvaded countries of the world where rice can be grown has contributed some relief to the extreme world scarcity of rice following the 1945–46 harvest. (See fig. 1.)

In Asia, the production of China was 18 percent less than the prewar (1935–39) average, chiefly as a result of the Japanese occupation. Typhoons, floods, and fertilizer shortages caused Japan's crop to be the smallest in 40 years. In India, because of insufficient rainfall, the acreage did not approach the 10-percent increase attained during the war, and production was only 3 percent larger than the prewar average. The Philippine crop was 70 percent of the former output.

TABLE 1.—*Rice: World production and distribution, average 1935–36 to 1939–40, and estimated production and trade, 1945–46* [1]

Continent and country	Estimated production		Apparent domestic disappearance	International trade		
	1935–36 to 1939–40	1945–46 [2]	Prewar average [3]	Prewar average [3]		Prospective 1946 [2]
				Net imports	Net exports	Exports
	1,000 short tons	*1,000 short tons*	*1,000 short tons*	*1,000 short tons*	*1,000 short tons*	*1,000 short tons*
Asia:						
French Indochina	[4] 4,978	[5] 3,465	3,494	----	1,484	150
Siam	3,356	[5] 1,890	1,840	----	1,516	540
Burma	5,489	2,118	2,237	----	3,252	470
China (22 Provinces)	41,318	[5] 34,000	41,729	411	----	----
Manchuria	501	[5] 550	586	85	----	----
Japan	9,385	6,185	11,346	1,961	----	----
Korea	3,083	[5] 2,825	1,790	----	1,293	0
Formosa	1,350	622	930	----	420	0
Philippine Islands	1,723	[5] 1,180	1,788	65	----	----
British Malaya	427	301	1,019	592	----	----
Netherlands Indies [6]	6,960	(7)	7,171	211	----	50
India [8]	32,500	33,480	33,750	1,250	----	----
Ceylon	252	130	856	604	----	----
Others	978	(7)	1,481	580	77	140
Estimated total	112,300	93,600	110,000	5,760	8,040	1,350
Europe:						
Italy	550	293	403	----	147	0
Spain	152	151	152	----	(7)	0
Estimated total	777	500	2,083	1,453	147	0
Africa:						
Egypt	485	621	353	----	132	200
Estimated total	1,517	1,828	1,721	364	160	220
North America:						
United States	729	1,026	622	----	107	330
Mexico	59	90	50	----	9	0
Estimated total	937	1,306	1,154	347	130	340
South America:						
Brazil	972	1,684	930	----	42	170
Chile	19	85	31	12	----	25
Ecuador	50	112	37	----	13	50
Estimated total	1,307	2,347	1,330	103	80	290
Estimated world total	116,800	99,800	116,300	8,070	8,570	2,200

[1] In terms of milled rice. Rough rice of Asia is converted to a milled basis at the rate of 70 percent and that of all other countries at 65 percent.
[2] Preliminary.
[3] 1936–40 average where available. Otherwise, the latest 5 years are included for which figures are available.
[4] Less than 5-year average.
[5] Unofficial.
[6] Estimate for all Netherlands Indies.
[7] Unavailable.
[8] Including estimate of production in unreported areas.

Compiled in the Office of Foreign Agricultural Relations.

The crops in the prewar surplus area of Burma, Siam, and French Indochina were sufficient only

for domestic requirements, and those of the other former surplus countries, Korea and Formosa, also were too small to permit rice for export. The reduced harvests of Asia greatly increased its import demands, and the only supplies available from that continent were some surplus from former crops in Siam and relatively small quantities in Burma and Indochina.

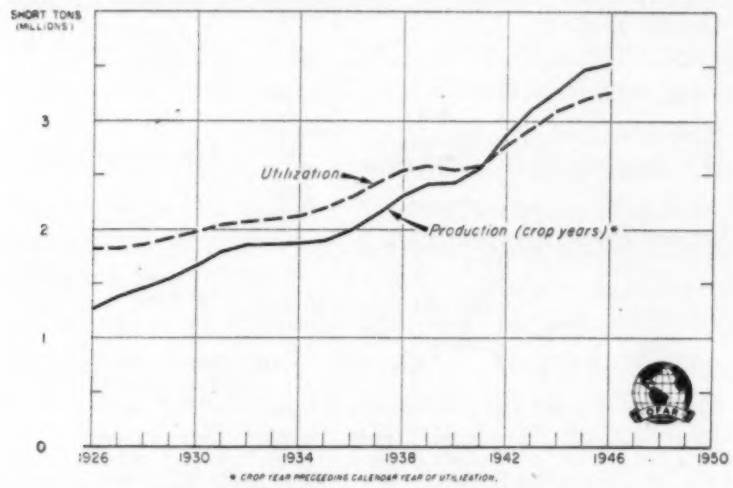

FIGURE 2.—Rice (milled): Production and utilization, Western Hemisphere, 1926–46.

The output of Europe, like that of Asia, was low, having been reduced primarily by wartime conditions. Total production was about 65 percent of the prewar volume because of reduced acreages, fertilizer and labor shortages, and unfavorable weather. Not only was there no surplus available for export, but rice consumption during 1946 in the countries of production has been substantially less than in prewar years. This cereal generally is not available for consumption in the other countries of Europe.

In Africa, a record outturn was harvested in 1945–46. The crops of Egypt and Madagascar, the principal rice-producing countries, were larger than in the preceding year and considerably above the prewar level. Adverse weather reduced the harvests in countries of British East Africa. Contrary to custom, in 1946 Africa exported more rice than it imported in order to help alleviate the serious shortages in Asia.

In the countries of the Western Hemisphere, likewise, a pronounced increase occurred in production. In South America, especially, an outstanding gain was achieved by means of increased acreages in most of the countries; also the weather was generally favorable for rice production. Through efforts of the governments and the rice industries in the countries of the Western Hemisphere, exportable surpluses from the increased output are continuing to be shipped to nations of Asia where supplies are extremely scarce. Even though the 1945–46 production was substantially larger than the previous record and export supplies surpass those of former years, the total quantity available for export (net) from the Western Hemisphere during 1946 is only equal to about 4 percent of the prewar international trade. (See fig. 2.)

The 1945–46 production of Asia is estimated at 5,900 million bushels (93 million short tons milled), against 6,500 million bushels (102 million tons) in 1944–45 and the prewar average of 7,100 million bushels (112 million tons). The drop from the prewar volume was about 17 percent and meant a loss of supplies during 1946 equal to around 19 million short tons of milled rice as compared with prewar years. The disastrous effects of this deficit have been only partially alleviated by shipments from the United States, Brazil, and Egypt and by making available the surplus stocks from old crops in Siam, Burma, and French Indochina.

TABLE 2.—*Exports of rice from Siam, Burma, and French Indochina, to principal countries of destination, 1935–39*

Countries of export and destination	1935	1936	1937	1938	1939	Average 1935–39 as percentage of total
	1,000 short tons	*1,000 short tons*	*1,000 short tons*	*1,000 short tons*	*1,000 short tons*	*Percent*
Siam:[1]						
Asia	1,204	1,144	881	1,108	1,410	76
Europe	69	157	67	222	237	10
Africa	14	14	16	20	24	1
Caribbean	162	198	60	97	79	8
Others	73	44	61	100	127	5
Total	1,522	1,557	1,085	1,537	1,877	100
Burma:						
Asia	2,824	2,636	2,487	2,321	3,131	80
Europe	414	331	473	377	305	12
Africa	54	64	77	48	55	2
Caribbean	68	56	65	46	43	1
Others	67	116	150	281	231	5
Total	3,427	3,203	3,252	3,073	3,765	100
French Indochina:						
Asia	1,059	452	478	271	433	36
Europe	436	1,041	701	561	583	[2] 44
Africa	120	182	169	92	136	9
Caribbean					46	1
Others	60	40	135	113	430	10
Total	1,675	1,715	1,483	1,037	1,628	100
Grand total	6,624	6,475	5,820	5,647	7,270	

[1] Year April–March 1935–36 to 1939–40.
[2] To France 40 percent.
Compiled from official trade sources.

The only countries of the Far East where acreages planted to rice in 1945–46 were larger than in prewar years were India and Ceylon. In the oc-

cupied countries, the planted areas were considerably less than before the war. Wartime conditions prevented normal plantings in importing countries, and in former surplus countries paddy farmers held their production to a self-sufficient basis only.

The weather during the 1945–46 season throughout the Far East was generally unfavorable for rice production. Lack of late rains reduced yields in India, Ceylon, Burma, and Siam. The weather was continuously bad throughout the growing season in Japan. Typhoons and cyclones also took their toll in China and Ceylon. Several other factors which contributed to low yields per acre were fertilizer shortages, loss of work animals and implements, and scarcity of labor.

There are four basic factors to be kept in mind when considering the rice situation in the countries of the Far East. The first is that a large percentage of the vast production never enters trade channels. This is particularly true in China and India. Second, rice consumers obtain from 70 to 85 percent of the caloric value of their diet from this cereal. Third, the exporting countries of this region have been either battlefields, enemy-occupied, or are undergoing sweeping political changes. Fourth, carry-overs of rice into the next crop year were estimated never to be more than a 3-month supply, and terminal bulk storage, as known in some other countries, does not exist.

The rice trade of the Far East as such is inactive. The exportation of rice is under governmental control in Burma, Siam, and Indochina. Shipments are made in accordance with allocations by the International Emergency Food Council. The internal prices which have been paid for rice and the resultant paddy prices are very unpopular with paddy farmers in these countries, since they are low compared with prevailing prices for other crops and for consumer goods, as well as with prices paid for rice in other countries.

Exports of milled rice and brokens from these countries from October 1945, when shipments started, through December 1946 are estimated to be as follows (in tons): Siam, 630,000; Burma, 570,000; and French Indochina, 150,000. The total represents only a small percentage of the exports from that region in prewar years, when total shipments from these three countries averaged about 6.5 million tons annually. (See table 2.)

Vegetable Production Along the Pan-American Highway in Mexico

by **KATHRYN H. WYLIE***

An agricultural development that has been given stimulus by the building of the Pan-American Highway is the growing of winter vegetables in the State of Tamaulipas in Mexico. Progress was retarded during the war because of lack of fertilizers, insecticides, machinery to increase production, and of tires and trucks to move the product to market. Now that these scarce items are becoming more plentiful, further expansion in this industry is possible.

Most of the winter vegetables for export from Mexico are grown on the west coast in the States of Sinaloa and Sonora. Shipments from these States are made by rail through the port of Nogales. Until 1943, less than a million pounds of tomatoes were shipped annually from the eastern States through the port of Nuevo Laredo. In the 1943 calendar year these shipments exceeded 4 million pounds and by 1944 had jumped to almost 14 million. In the latter year exports through this port represented 6.4 percent of total tomato exports, compared with only 0.6 percent of the total in 1942 (table 1). Vegetable production for export through Laredo is concentrated in the central and southern part of the State of Tamaulipas near the Pan-American Highway. The principal area is around El Mante in the southern part of the State, where production may become relatively more important. Plans are already under way to increase the area cultivated to winter vegetables, particularly tomatoes. A few bell peppers and peas are grown.

Of the so-called staple vegetables, onions and garlic move through Laredo in large amounts. Some of these products come from the central

*Office of Foreign Agricultural Relations.

plateau rather than from the semitropical area adjacent to the highway. One of the major regions for the growing of onions, however, is west of Tampico in the State of Tamaulipas near the highway.

Production

CLIMATE AND SOILS

Temperatures in the eastern vegetable areas are similar to those on the west coast and average annually from 70° to 75° F. There is a wide range, however, from one season to another, the temperatures varying from 35° to 115°. The vegetables are grown during the cooler winter months and are sometimes damaged by frosts. Compared with the west coast, rainfall is, if anything, higher around El Mante, the usual fall being from 30 to 45 inches a year. Here, too, there is wide variation in the amount of precipitation, and the area is subject to sporadic drought. In the central areas of Mexico, where most of the onions and garlic grow, the temperatures are lower, averaging 65°, with frequent frosts between November and February. Rainfall there of between 25 and 30 inches is supplemented by irrigation.

The soils of southern Tamaulipas are similar to those around Houston and Austin, Tex. They are mostly Rendizina—greyish to black in color—and contain a large amount of organic matter. They appear quite deep in the more level areas and along the rivers. The thinner, coarse-textured sandy loam found in northern Tamaulipas is favorable for the production of cantaloups and watermelons.

METHOD OF CULTIVATION

Commercial production of tomatoes, the most important truck crop for export, is similar in Tamaulipas to that in the principal growing regions. The ground is usually plowed and worked down with disk harrow and roller. Nearly all the tomatoes grown are of the Marglobe variety. Seed is obtained in the summer or early fall and the seedbeds started in August or September. When the plants are about 8 inches high, they are transplanted into the field, at intervals, from September to December. The plants are set from 3 to 4 feet apart in rows about 7 or 8 feet apart.

Fertilizer is not used extensively, although a few farmers apply bat guano and Chilian nitrate by hand. The plantings are cultivated with a one-mule cultivator, and the fields are irrigated before planting as well as during the growing season.

TABLE 1.—*Exports of tomatoes and onions from Mexico, through Nuevo Laredo and total, specified years*

Item and period	Total exports	Exports through Nuevo Laredo	
		Quantity	Percentage of total
TOMATOES			
Average:	*1,000 pounds*	*1,000 pounds*	*Percent*
1931–35	79,358	755	1.0
1936–40	49,920	802	1.6
Annual:			
1941	95,667	913	1.0
1942	155,706	891	.6
1943	205,436	4,091	2.0
1944	214,567	13,651	6.4
1945	227,556	12,106	5.3
ONIONS			
1941	1,087	847	77.9
1942	2,679	1,905	71.1
1943	12,083	9,162	79.2
1944	6,085	5,869	96.4
1945	2,111	1,517	71.9

Two diseases known as nailhead spot and anthracnose are common throughout the tomato fields. Soft rot and leaf spot sometimes occur. The most common method of control for both diseases and insect pests is to dust the plants with calcium arsenate or sulfur. In late 1945 (published in the *Diario Oficial*, December 22) a campaign was inaugurated to combat insects and diseases affecting tomatoes in central and southern Tamaulipas. These regions were defined to include the following municipalities: Hidalgo, Güemes, Padilla, Victoria, Llera, Gómez Farías, Xicotéencatl, Ocampo, El Mante, Antiguo Morelos, Nuevo Morelos, Gonzales, Altamira, Tampico, and Ciudad Madero.

All tomato growers in these places must obtain a permit from the Plant Sanitary Delegation at Ciudad Victoria or from the regional office. The application for the permit must include information concerning the location of the land, the area to be planted, the date of sowing, date of transplanting, and variety and class of seed. All seedbeds must be disinfected and all 15-day-old plants must be treated with a bordeaux-mixture spray. If the plants become infected, they are to be burned, as well as any host plants specified by the Plant Sanitary personnel. Products may not be transported or exported unless accompanied by a certificate of compliance with the provisions of these regulations.

At harvesttime the tomatoes, still green, are picked by men, women, and children; carried to the edge of the field; sorted; and loaded on trucks to be hauled to the packing sheds.

Relatively much smaller quantities of sweet peppers than tomatoes are grown for export. The bell peppers exported are mostly the California Wonder variety, although a few Anaheim and Caribas chilies are shipped. Cultivation is similar to that for tomatoes. The worst pest is the leaf roller *Platynota*, which is controlled by dusting with nicotine sulfate. The peppers are picked and shipped green.

Marketing

PREPARATION AND INSPECTION

Most large-scale growers maintain packing sheds where the tomatoes for export are sorted, wrapped individually in thin tissuelike paper, and placed by hand in new lugs. These lugs usually conform to the United States standard in size, the outside measurements being 7 inches deep, 14 inches wide, and 17.5 inches long.

Part of the harvest is sold in the interior of Mexico and part for export to the United States, depending on the relative prices. Tomatoes and other vegetables for export are subject to inspection on both sides of the border. Customs brokers inspect the tomatoes on both sides to determine export and import tariffs. In addition, the Bureau of Entomology and Plant Quarantine of the United States Department of Agriculture has an inspector to certify that they are free from certain pests.

Some exporters handle their own sales, others use a commission firm to take care of their business at the border, and still others operate through a new association of farmers organized in late 1943. This association, the *Sociedad de Tomateros de El Mante*, maintains technical advisers and practical farmers to instruct the growers. The expenses of the organization are taken care of by a charge of 2 pesos per hectare (17 cents per acre) paid by the members when they join, plus a charge of about 20 centavos (4 cents) per box of 26 kilos (57 pounds) handled. The organization is working to improve tomato varieties and hopes to enter the field of marketing for bell peppers, cantaloups, and onions as well.

TARIFFS

Although truck crops exported from Mexico are not subject to a specific export duty, they are affected by an export tax or *aforo* first imposed on August 10, 1938. This tax is determined by placing an official valuation upon a commodity and then assessing an amount equal to 12 percent of this value. The valuation can be changed by a committee that formerly met once a month, but it can now meet and change a valuation at discretion. For many vegetables the valuations have been steadily increased, although for eggplant, string beans, cantaloups, and watermelons the rate remained the same from August 10, 1938, to April 1944. The valuation on tomatoes has varied widely from 1.12 cents per pound in 1938 and 1939 to 6.93 cents in parts of 1943 and 1944. The valuation on peppers was increased to 14.50 cents a pound in March 1940 but was removed entirely the next month and placed at 6.45 cents in April 1944. In order to channel exports through certain organizations, growers marketing through these organizations are exempt from part of this tax. The extent of the exemption also varies from time to time.

Since vegetables are exported largely to the United States, the import policy in this country is particularly important to the industry. Before 1930 import tariffs on vegetables were relatively low, and Mexican vegetables found a good market in the United States. The 1930 Tariff Act doubled the duties in some instances, and this together with

FOREIGN AGRICULTURE HALLY H. CONRAD, EDITOR

A monthly publication of the Office of Foreign Agricultural Relations of the United States Department of Agriculture, Washington, D. C. The matter contained herein is published by direction of the Secretary of Agriculture as administrative information required for proper transaction of the public business, with the approval of the Director of the Budget. Copies may also be obtained from the Superintendent of Documents, Government Printing Office, Washington, D. C., 10 cents a copy, or by subscription at the rate of $1.00 per year, domestic, $1.60 per year, foreign.

the depression of the early 1930's cut exports. Under the Trade Agreement between the two countries, effective in January 1943, the United States duty on tomatoes was cut to 1.5 cents a pound for the duration of the emergency. Thereafter it will be 2.25 cents per pound. The duty on squash and peppers is 1.5 cents a pound. For eggplant, cucumbers, and fresh lima beans, the duty is less during the heavy shipping season than for the remainder of the year.

WARTIME EXPERIENCE AND OUTLOOK

Commercial production around El Mante has been developed in spite of the difficulties encountered because of the war. Most of the materials necessary for production—machinery, seed, insecticides, and shook for the lugs—must be imported from the United States. During the war they were hard to obtain because of scarce supplies. Lack of experience in organization of production and marketing also retarded progress. Frosts and drought added their bit to the hazards of the industry.

The area planted to tomatoes in Tamaulipas, however, rose from 1,000 acres in the fall of 1941 to 13,000 in the fall of 1944. In the latter year a considerable amount of the acreage in this area was planted by *ejidatarios* and financed by the *Banco Nacional de Crédito Ejidal, S. A.* At first, blight and insect damage reduced the crop, and later inadequate transportation was responsible for much of the fruit spoiling in the fields. The bank suffered a heavy loss and refused to finance tomato production the next year. Shipments in 1945 dropped 13 percent from the 1944 peak. Drought continued late in 1945, and plantings for harvest in the spring of 1946 were not made so early as expected.

In spite of the recent difficulties experienced by the growers, they are not discouraged. Producers believe that tomatoes can be grown in this region for marketing early in the season, possibly for harvest in late October and November long before the west-coast crop is ready. Already Tamaulipas tomatoes beat the west-coast product to market. The heaviest shipment in 1945 came in January, whereas April was the month of largest export from the Pacific-coast fields. Transportation of shook to this area is easier than to the west coast, which will facilitate packing of the vegetable With new tires for truck transportation on t highway, this new industry could expand rapid if the market situation in the United States favorable.

New Foreign Agriculture Studies

This Office has recently issued six reports co taining information upon subjects related to agr cultural production and trade which may be o interest to readers of FOREIGN AGRICULTURE. Copie of these publications may be obtained upon appl cation to the Division of Information and Statis tics, Office of Foreign Agricultural Relations, De partment of Agriculture, Washington 25, D. C.

The reports are as follows:

Foreign Agriculture Report No. 10—
PROGRAMS OF FOREIGN GOVERNMENTS FOR FIBER FLAX PRODUCTION, by Cecille M. Protzman 39 pp., illus. August 1946.

Foreign Agriculture Report No. 11—
FATS AND OILS WORLD PRODUCTION AND TRADE by Fred J. Rossiter, Regina H. Boyle, Dougla M. Crawford, Dale E. Farringer, and Hele Francis. 130 pp., illus. August 1946.

Foreign Agriculture Report No. 12—
THE LIVESTOCK INDUSTRY OF NICARAGUA, b Samuel H. Work and Leo R. Smith. 49 pp. illus. September 1946.

Foreign Agriculture Report No. 13—
THE ARGENTINE TOBACCO INDUSTRY, by Frank lin S. Everts. 21 pp., illus. September 1946

Foreign Agriculture Report No. 14—
AGRICULTURAL CLIMATOLOGY, PHYSICAL BELTS AND CROP ECOLOGY OF PALESTINE AND TRANS JORDAN AND THEIR CLIMATIC ANALOGUES IN THE UNITED STATES, by M. Y. Nuttonson. 2 pp., illus. September 1946.

Foreign Agriculture Report No. 15—
WORLD RICE PRODUCTION AND TRADE, by Fred J. Rossiter, L. Thelma Willahan, William E. Cummings. 60 pp., illus. October 1946.

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